



# Department of Justice

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## **JURY CONVICTS TEXAS MAN IN INVESTMENT SCHEME**

Orlando, Florida - U.S. Attorney Robert E. O'Neill announces that a federal jury today found Blayne Davis (29, Austin, Texas) guilty of three counts of wire fraud, for his role in an investment scam involving approximately \$300,000 and over fifteen victims. Each count carries a maximum penalty of 20 years in federal prison. His sentencing hearing is scheduled for June 6, 2011 before Chief Judge Anne C. Conway. Davis was indicted on February 16, 2011.

According to testimony presented at trial, Davis solicited investors by telling them that their money would be invested in the Foreign Currency Exchange (FOREX), stocks and hedge funds. Davis promised the investors that they would earn returns on their investments ranging between 20% and 40%, over 45-day intervals. Davis told the investors that their money was guaranteed and that his own money was also invested. During the trial, the United States presented evidence that Davis paid "returns" to investors that were actually derived from other investors' funds. The United States also presented evidence that Davis used the investors' money to gamble, travel, pay his mortgage, and pay various personal expenses.

At trial, in an effort to explain his numerous bank accounts and substantial cash

withdrawals, Davis testified that he converted the victims' investments to cash and forwarded the funds to FOREX traders in 2005 and 2006. Davis claimed that the FOREX traders disappeared in 2006 and that he was unable to locate them.

This case was investigated by the Florida Department of Law Enforcement. It is being prosecuted by Assistant United States Attorneys David L. Haas and Daniel W. Eckhart.